

## House Resolution 1153

By: Representatives Mitchell of the 88<sup>th</sup>, Williams of the 165<sup>th</sup>, Watson of the 91<sup>st</sup>, Mangham of the 94<sup>th</sup>, Stephenson of the 92<sup>nd</sup>, and others

## A RESOLUTION

1 Urging the Congress of the United States to enact a "Homeowners and Bank Protection Act"  
2 for the protection of homeowners and banking institutions; and for other purposes.

3 WHEREAS, the growing financial crisis involving home mortgages, debt instruments of all  
4 types, and the banking system of the United States threatens to set off an economic collapse  
5 with a potentially worse economic impact than was experienced in America during the Great  
6 Depression of the 1930s; and

7 WHEREAS, millions of Americans are currently faced with impending foreclosures and the  
8 loss of their homes; and

9 WHEREAS, hedge funds, which spread this financial collapse among markets world-wide,  
10 are now going bankrupt and demanding government bailout of their securities and  
11 derivatives, and the nominal value of the derivatives based on mortgages alone is the size of  
12 the combined GDP of the nations of the world; and

13 WHEREAS, this financial crisis threatens the integrity of both federal and state chartered  
14 banks, as typified by the run on deposits of Countrywide Financial Corporation in California  
15 on August 16, 2007, and such crisis could wipe out the life savings of many American  
16 people, thereby drastically undermining the economic stability of our states and cities; and

17 WHEREAS, under similar circumstances in the 1930s, President Franklin D. Roosevelt  
18 successfully intervened to protect banks and homeowners, addressing Congress with a  
19 "declaration of national policy" which stated, "the interests of the Nation require that special  
20 safeguards should be thrown around home ownership as a guarantee of social and economic  
21 stability, and that to protect homeowners from inequitable enforced liquidation in a time of  
22 general distress is a proper concern of the government."

1 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES that  
2 this body hereby urges the members of the United States Congress to take emergency action  
3 to protect homeowners and banks and to enact a "Homeowners and Bank Protection Act,"  
4 which legislation shall:

5 (1) Establish a federal agency for the protection of federal and state chartered banks;

6 (2) Include specific mortgage protections for a limited time, allowing the economy to  
7 regain stability during this transitional period, including freezing all existing home  
8 mortgages for a limited period of time, adjusting mortgage values to fair prices,  
9 restructuring existing mortgages at appropriate interest rates, and writing off speculative  
10 debt obligations of mortgage-backed securities, financial derivatives, and other forms of  
11 financial pyramid schemes that have brought the banking system to the point of  
12 bankruptcy;

13 (3) Declare a moratorium on all home foreclosures for the duration of the transitional  
14 period, allowing families to retain their homes and to establish monthly payments which  
15 shall be the equivalent of rental payments, to be made by such homeowners to designated  
16 banks, and allow these funds to be used by such banks as collateral for normal lending  
17 practices, thus re-capitalizing the banking system; and

18 (4) Authorize states to assume the administrative responsibilities for implementing the  
19 program created by Congress while the federal government shall continue providing any  
20 necessary credits or guarantees needed to assure a successful economic transition.

21 BE IT FURTHER RESOLVED that the Clerk of the House of Representatives is authorized  
22 and directed to transmit an appropriate copy of this resolution to the President of the United  
23 States and to each member of the Georgia congressional delegation.